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BEFORE THE ARIZONA CORPORATION COMMISSION

GARY PIERCE  
Chairman

2011 JUL 27 A 11:39

BOB STUMP  
Commissioner

AZ CORP COMMISSION  
DOCKET CONTROL

Arizona Corporation Commission

DOCKETED

JUL 27 2011

PAUL NEWMAN  
Commissioner

DOCKETED BY

SANDRA D. KENNEDY  
Commissioner

BRENDA BURNS  
Commissioner

IN THE MATTER OF THE APPLICATION  
OF ARIZONA-AMERICAN WATER  
COMPANY, AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE CURRENT  
FAIR VALUE OF ITS UTILITY PLANT  
AND PROPERTY AND FOR INCREASES  
IN ITS RATES AND CHARGES BASED  
THEREON FOR UTILITY SERVICE BY  
ITS AGUA FRIA WATER DISTRICT,  
HAVASU WATER DISTRICT, MOHAVE  
WATER DISTRICT, PARADISE VALLEY  
DISTRICT, SUN CITY WEST WATER  
DISTRICT AND TUBAC WATER  
DISTRICT.

DOCKET NO. W-01303A-08-0227

IN THE MATTER OF THE APPLICATION  
OF ARIZONA-AMERICAN WATER  
COMPANY, AN ARIZONA  
CORPORATION, FOR A  
DETERMINATION OF THE CURRENT  
FAIR VALUE OF ITS UTILITY PLANT  
AND PROPERTY AND FOR INCREASES  
IN ITS RATES AND CHARGES BASED  
THEREON FOR UTILITY SERVICE BY  
ITS MOHAVE WASTEWATER  
DISTRICT.

DOCKET NO. SW-01303A-08-0227

**Updated Status Report and Request for Extension of Time to Comply**

In Decision No. 71410, the Arizona Corporation Commission  
("Commission") required Arizona-American Water Company to work with Staff to develop  
and file a low income tariff for Commission consideration. The Company's water districts

1 affected by this requirement include: 1) Agua Fria; 2) Mohave; 3) Havasu; 4) Paradise  
2 Valley; 5) Sun City West; and 6) Tubac. In a filing dated June 9, 2011, the Company  
3 requested until July 29, 2011 to comply. Following additional discussions with  
4 Commission Staff, the Company believes that a much longer extension is necessary and  
5 appropriate and withdraws its request for the July 29, 2011 extension and replaces it with  
6 the new request herein.

7           As noted in its prior filing, following the issuance of the Commission's  
8 decision in this docket, the Company, in compliance with the Decision has worked with  
9 Commission Staff on the particulars of a low income program for these districts. Much of  
10 the discussion and work has involved resolving first several issues with the existing low  
11 income program in Sun City and finding an administrator for this program for the six  
12 additional districts. Currently, those efforts are focused on the Arizona Community Action  
13 Alliance ("AZCAA"), which is willing to administer the program. AZCAA will, in turn,  
14 work with Maricopa County to aid in administering the program in certain communities.  
15 However, the details of the program and the particulars of the relationship with AZCAA  
16 and the County remain to be finalized.

17           In addition, following further discussions with Commission Staff, the  
18 Company believes that the ultimate approval of the low income tariffs and the  
19 corresponding rate adjustments for such tariffs must be done within a general rate case.  
20 Pending in Docket No. 10-0448 is a rate case for three of the six districts affected by this  
21 compliance requirement, Agua Fria, Havasu and Mohave. The Company is still optimistic  
22 and committed to obtaining approval of a low income program for these three districts  
23 within the context of Docket 10-0448. Furthermore, we think the ultimately Commission  
24 approved features of a low income program for these three districts will be useful in  
25 informing how best to design a low income program for the other three districts (Sun City  
26 West, Tubac and Paradise Valley).

1 For these reasons, the Company and Staff believe that it would be appropriate  
2 to **extend the compliance deadline for all six districts to December 31, 2014**. This much  
3 later date is necessary because the Company has not yet determined the schedule for the  
4 next rate cases for the remaining three districts. Nevertheless, the Company remains  
5 committed to establishing low income programs in all of these districts and will continue to  
6 work diligently on the specifics of the program with AZCAA and all other interested  
7 parties. The Company intends to make low income tariff filings as those tariffs are  
8 approved in the pending and future rate cases. Thus, the Company anticipates achieving a  
9 partial compliance until complete.

#### 10 CONCLUSION

11 For the reasons set forth above, the Company requests that the Commission  
12 extend the compliance deadline under Decision No. 71410 to December 31, 2014 to allow  
13 the Company to make a filing further detailing a low income program for Sun City West,  
14 Tubac and Paradise Valley and including a tariff filing for the districts (Agua Fria, Havasu  
15 and Mohave) included in Docket 10-0448.

16  
17 RESPECTFULLY SUBMITTED this 27 day of July, 2011.

18 Arizona-American Water Company

19  
20 

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24 ORIGINAL and thirteen (13) copies  
25 of the foregoing filed this 27th day  
26 of July, 2011, with:

The Arizona Corporation Commission  
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1 Copy of the foregoing hand-delivered  
2 this 27 day of July, 2011, to:

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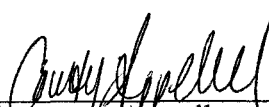
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